

**A SUBSTITUTE RESOLUTION BY
COMMUNITY DEVELOPMENT / HUMAN RESOURCES COMMITTEE**

09-R-1127

RESOLUTION AUTHORIZING THE MAYOR TO APPLY FOR AND ACCEPT A COMPETITIVE GRANT UP TO \$75,000,000.00 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER THE CDBG NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2); TO ENTER INTO A CONSORTIUM AGREEMENT WITH THE ATLANTA DEVELOPMENT AUTHORITY, ATLANTA NEIGHBORHOOD DEVELOPMENT PARTNERS (IN COLLABORATION WITH MACALLAN GROUP AND NORSOUTH COMPANIES) AND THE INTEGRAL DEVELOPMENT, LLC; AND FOR OTHER PURPOSES

WHEREAS, under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 for additional activities under Division B, Title III of the Housing and Economic Recovery Act, 2008, \$1.93 billion has been appropriated nationally to fund the CDBG Neighborhood Stabilization Program 2 (NSP2) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; and

WHEREAS, the NSP2 funds must only be used in accordance with the regulations and requirements under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 under Division B, Title III of the Housing and Economic Recovery Act, 2008; and

WHEREAS, The NSP2 funds must be used to address the low and moderate income CDBG national objective with at least 25% of the funds received be spent on housing for persons at or below 50% of the area median income; these funds also can be spent on housing for persons at 51-80 percent of area median income and 81-120 percent of area median income; and

WHEREAS, the following eligible activities can be undertaken under NSP2:

- Financing Mechanisms to purchase and redevelop abandoned and foreclosed properties;
- Purchase and rehabilitation of abandoned and foreclosed properties to re-sell or rent
- Establish and maintain land bank of foreclosed homes
- Demolish blighted structures
- Redevelopment of demolished or vacant properties

WHEREAS, definitions of properties under the Neighborhood Stabilization Program include:

- Abandoned- a home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, and the property has been vacant for at least 90 days;
- Foreclosed- a property “has been foreclosed upon” at the point that, under state and local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

WHEREAS, the minimum request is \$5,000,000 and the NSP2 project does not require local matching funds.

WHEREAS, the NSP2 funds will be awarded through competition, whose eligible applicants include states, units of general local government, nonprofits, and consortia of nonprofits; and

WHEREAS, the City proposes to submit a consortium application with the Atlanta Development Authority, Atlanta Neighborhood Development Partnership (in collaboration with the MaCallan Group and NorSouth Companies) and the Integral Development LLC as project partners; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:

Section 1: That the Mayor or her designee is hereby authorized to apply and accept up to \$75,000,000.00 under the CDBG Neighborhood Stabilization Program 2 (NSP2) by submitting to the U.S. Department of Housing and Urban Development.

Section 2: That the Mayor or her designee is hereby authorized to enter into a consortium agreement for the purposes of NSP2 with the Atlanta Development Authority, Atlanta Neighborhood Development Partnership (in collaboration with the MaCallan Group and NorSouth Companies) and the Integral Development LLC.

Section 3: That all resolutions and parts of resolution in conflict with this resolution are hereby repealed.